

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

PHILIP Y. BROWN, ESQ., *Chairman*

JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Malden Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule

DATE: July 24, 2018

This Commission is hereby furnishing you with approval of the revised funding schedule you recently adopted (copy enclosed). The schedule assumes payments are made on July 1 of each fiscal year. The schedule is effective in FY19 (since the amount under the prior schedule was maintained in FY19) and is acceptable under Chapter 32.

The revised schedule reflects a reduction in the investment return assumption from 7.50% to 7.35% and a slight adjustment to the fully generational mortality assumption.

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666-4446, extension 921.

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Malden Retirement System
January 1, 2018 Actuarial Valuation

Total appropriation increases 7.5% per year through FY29, with a final amortization payment in FY30

<u>Fiscal</u> <u>Year</u>	<u>Normal</u> <u>Cost</u>	<u>Net</u> <u>3(8)(c)</u>	<u>Amort. of</u> <u>UAL</u>	<u>Amort. of</u> <u>2002 ERI</u>	<u>Amort. of</u> <u>2003 ERI</u>	<u>Amort. of</u> <u>2010 ERI</u>	<u>Total</u> <u>Cost</u>	<u>Unfunded</u> <u>Act. Liab.</u>	<u>% Increase</u> <u>Total Cost</u>
2019	4,060,258	350,000	6,941,317	412,213	201,111	106,888	12,071,787	99,584,706	
2020	4,242,970	350,000	8,076,202		201,111	106,888	12,977,171	98,679,531	7.50%
2021	4,433,904	350,000	9,059,668			106,888	13,950,459	96,932,036	7.50%
2022	4,633,429	350,000	9,906,426			106,888	14,996,743	94,216,244	7.50%
2023	4,841,933	350,000	10,929,566				16,121,499	90,391,845	7.50%
2024	5,059,820	350,000	11,920,791				17,330,611	85,302,757	7.50%
2025	5,287,512	350,000	12,992,895				18,630,407	78,775,541	7.50%
2026	5,525,450	350,000	14,152,237				20,027,688	70,617,670	7.50%
2027	5,774,096	350,000	15,405,669				21,529,764	60,615,642	7.50%
2028	6,033,930	350,000	16,760,567				23,144,497	48,532,907	7.50%
2029	6,305,457	350,000	18,224,877				24,880,334	34,107,607	7.50%
2030	6,589,202	350,000	17,050,110				23,989,313	17,050,110	-3.58%
2031	6,885,717	350,000					7,235,717	0	-69.84%

Appropriation payments assumed to be made July 1 of each fiscal year.

Normal cost assumed to increase 4.5% per year.

Assumed expenses of \$800,000 as of January 1, 2018

FY19 appropriation was maintained at the same level as the prior schedule.